Aeronautical Systems Center

Dominant Air Power: Design For Tomorrow…Deliver Today

U.S. AIR FORCE

What's in Small Business

27 January 2006

Teresa Rendon
Small Business Office
ASC/BC

Small Business Hot Topic Agenda

- **Size Recertification**
- **SBA Inflation Adjustment to Size Standards**
- **Service-Disabled Veteran-Owned Small Business Program**
- **Mentor-Protégé Program**
- **Questions**

Size Recertification

- **Should SBs recertify size at time of issuance of orders under multiple award ID/IQs?**
  - SBs grow to be LB under large MAC ID/IQs
  - Historically, a SB was considered small for the life of the ID/IQ contract; recent rulings have allowed recertification at time of order issuance
- **Recent Case at OO-ALC**
  - Original MAC ID/IQ awarded 2001 (5SB, 6 LB, 15-year contract)
  - SBSA in 2005; asked companies to recertify
  - LB&B refused to recertify; used original certification of SB status
  - Hill CO appealed to SBA
    - SBA Philadelphia: size status is small based on original cert
    - SBA OHA overturned; LB&B not small for this procurement
  - Hill awarded to next low acceptable SB
  - LB&B protested award; sought injunctive relief
  - U. S. Court of Claims Ruling
    - AF within rights to recertify
    - Agreed with SBA OHA: underlying contract is framework for future competition for contracts
    - Task order constitutes new procurement
- **Concern: if no policy exists, no consistency concerning recertification among various buying offices**

Size Recertification

- **Current Regulations**
  - 13 CFR 124.503(h) - re: 8(a) Program:

    "Unlike Basic Ordering Agreements, Multiple Award and FSS contracts are contracts. Orders issued under these contracts are not considered separate contracts." Subpara (2): "A concern may continue to accept new orders under a MA or FSS contract even where…the concern becomes other than small for the SIC code assigned under the contract subsequent to award of the contract."

  - 13 CFR 121.404

    Subpara (a) SBA determines the size status as of the date the concern submits a written self-certification that it is small as part of its initial offer which includes price.

    Subpara (g) A concern that qualified as a SB at the time it receives a contract is considered a SB throughout the life of that contract.

Size Recertification

- **Recent Rulings**
  - SBA OHA (SIZ-4477, SETA Corp and FEMA, March 2002)
    - RFQ issued against GSA FSS
    - RFQ is a new procurement; RFQ is correct time to establish size
  - GAO Case (CMS Info Systems, 7 Aug 02, B-290541)
    - SB awards must actually be performed by SBs
    - COs have right to require recertification at time of order under competitive SBSA RFQs against GSA MASs
  - SBA OHA (SIZ-2003-11-25-71, Advanced Mgmt Tech, Jun 04)
    - Offerors must be small as of date of proposal/quote at order level
- **SBA Proposed Rule RIN 3245-AF06, 25 Apr 03**
    - Address time at which size is determined for FSS, MACs, GWACs
    - Proposed to amend CFR to require annual recertification
    - AFMC/PK position: disagreed (SB impacts/increase workloads)
    - Current status: at OMB; no date for publication

Size Recertification

- **Implications**
  - Big impact on SB awards, particularly in today's acquisition environment of long-term, broad-scoped MACs
    - Example: Commodity Councils – a large award to a SB will cause it to quickly grow out of SB status; all awards will then be going to LB
  - No current rules/guidance
    - When do you recertify? How often?
    - Result: delayed procurements, protests
- **Recommendation**
  - Issue policy that acquisition strategy, as well as resulting RFP and DD Form 2579, should include guidelines/rules for recertification based on what makes sense for that specific acquisition

SBA Inflation Adjustment to Size Standard

- **Federal Register on December 6, 2005**
  - Issue Interim Final Rule to increase monetary-based size standards by 8.7%
  - To allow for inflation
    - SBA's last inflation adjustment was in 2002
- **Applies to solicitations issued on or after January 5, 2006**
- **Most common monetary size standard changes**
  - $6M in average annual receipts will increase to $6.5M
  - Other size standards increase by $1M to $2.5M
    - Depending on current level of the size standard
- **List of new size standards**
  - www.sba.gov/size/indexwhatsnew.html

Service-Disabled Veteran-Owned Small Business (SDVOSB)

- **FAC 2001-23 Published as Interim Rule on 5 May 04**
- **Implements Section 308 of Veterans Benefits Act**
- **Provides for Set-Aside and Sole Source Authority for Service-Disabled Veteran Owned Small Business (SDVOSB) concerns**
- **Provides a discretionary tool to improve performance towards SDVOSB goals**

H11718: "The committees intend the provision to provide federal contracting officials a means to improve their results with respect to contracting with service-disabled veterans"

SDVOSB Applicability, Representations & Exclusions

- **FAR 19.1402: Applies to all Federal Agencies**
- **FAR 19.1403: Provides for contractor self-representation**
- **FAR 19.1404: Exclusions — Does not apply to:**
  - **Requirements that can be satisfied through award to:**
    - **Federal Prison Industries (see FAR 8.6)**
    - **Javits-Wagner-O'Day Act participating non-profit agencies for the blind or severely disabled (See FAR 8.7)**
  - **Orders under Indefinite Delivery Contracts (see FAR 16.5)**
  - **Orders against Federal Supply Schedules (see FAR 8.4)**
  - **Requirements currently being performed by an 8(a)**
  - **Requirements for commissary or exchange resale items**

SDVOSB Set-Asides

- **FAR 19.1405 SDVOSB Set-Asides Procedures**
  - **a)The Contracting Officer (CO) may set-aside acquisitions….for SDVOSBs when requirements of para b can be satisfied. The CO shall consider SDVOSB set-asides before considering SDVOSB sole source awards (see 19.1406)**
  - **b) To Set-Aside an acquisition for SDVOSBs the CO must have a reasonable expectation that:**
    - **1) Offers will be received from 2 or more SDVOSBs and**
    - **2) Award will be made at a fair market price**
  - **c) If the CO receives only 1 acceptable offer**
    - **Make award to that SDVOSB**
  - **If CO receives no acceptable offers**
    - **Withdraw SDVOSB Set-Aside**

SDVOSB
Sole Source Award and Clause

- **FAR 19.1406: Sole Source Awards to SDVOSB concerns**

  a) CO may award contracts to SDVOSBs on a Sole Source Basis provided:

  1) Only one SDVOSB can satisfy the requirement;

  2) The anticipated price of the contract (including options) will not exceed

  - $5M for manufacturing
  - $3M for any other

  3) The SDVOSB has been determined to be a responsible contractor

  4) Award can be made at a fair and reasonable price

- **FAR 19.1407: Contract Clauses**

  The CO shall insert the clause 52.219-27, "Notice of Total Service- Disabled Veteran-Owned Small Business Set-Aside"

  - In solicitations and contracts using SDVOSB Set-Aside or Sole Source Authority

SDVOSB Summary

- **Provides for SDVOSB Set-Aside and Sole Source Authority**
- **Contracting Officers may set-aside acquisitions or award contracts to SDVOSBs on a sole source basis**
- **A Tool to Help Buying Activities Meet SDVOSB Goals and Increasing Awards**
- **Addendum to 2579**

Mentor-Protégé Program

- **Socio-economic program**
- **Public law initiative PL 101-510, Section 831**
- **Regulatory implementation**
  - **01 October 1991**
- **Final Rule Effective January 23, 2006**
  - **Amends DFARS**
  - **Program extension for new M-P agreements**
  - **September 30, 2010**
  - **Participation under new agreements**
  - **September 30, 2013**

DoD M-P Program

U.S. AIR FORCE

AERONAUTICAL SYSTEMS CENTER

Dominant Air Power: Design For Tomorrow...Deliver Today

1991
Defense Authorization Ac
PL 101-510 831

GOALS

- ***Transfer Technology and Business Assistance to Small Disadvantaged Businesses (SDBs), Women-Owned Businesses (WOBs), Service Disabled Veteran Owned Small Businesses (SDVOSBs), HUBZone Small Businesses, and firms employing the severely handicapped***

- ***Increase SDB participation in DoD, Federal, and Commercial***

FUTURE GOAL

Follow on of Small Business Innovation Research Program (SBIR) participants into the DoD MP Program

Mentor-Protégé Qualifications

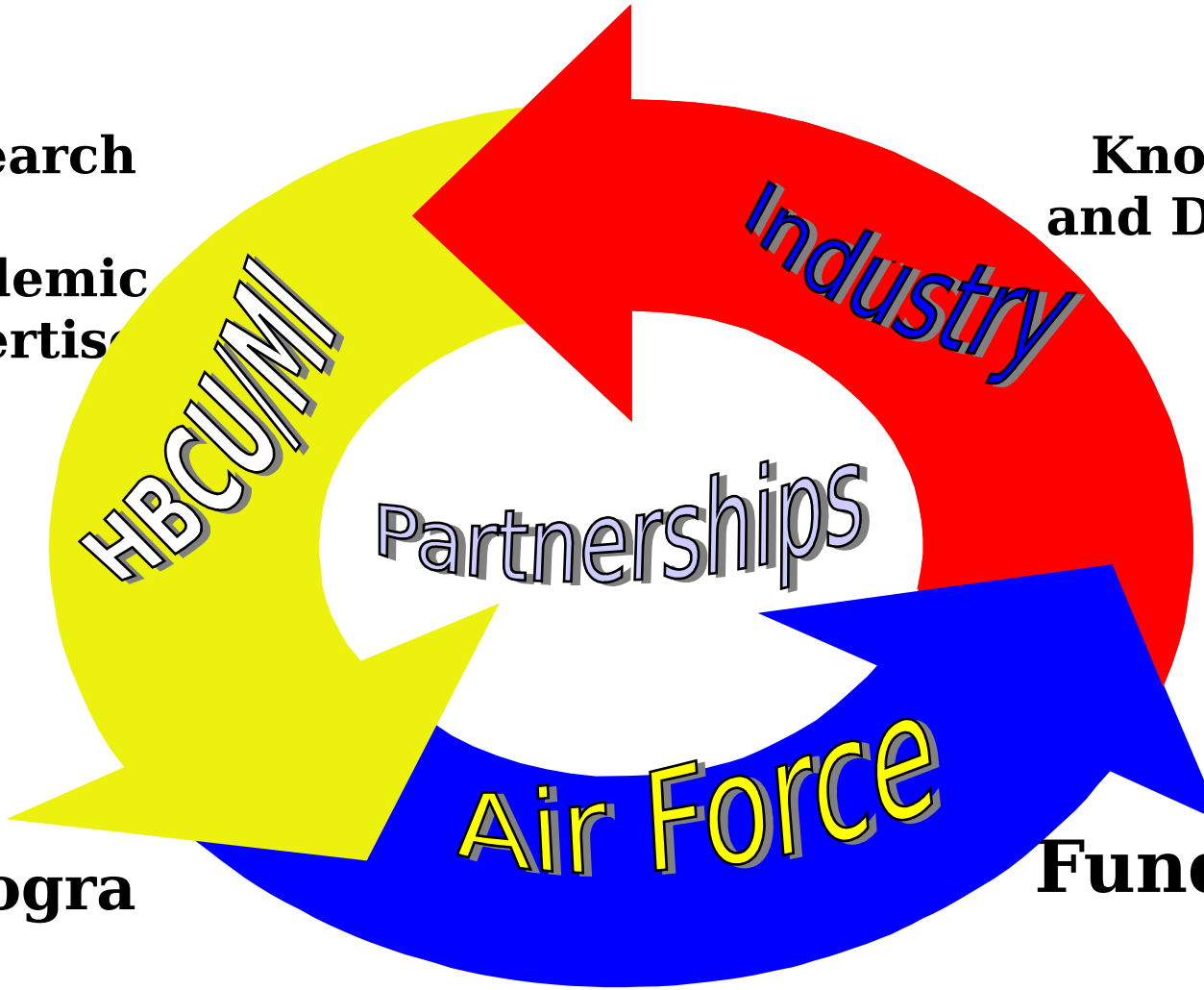
- **Mentor must:**
  - **Have at least <u>one active subcontracting plan with DoD or another Federal Agency Pursuant to FAR 19.702;</u> and**
  - **Be eligible for award of Federal contracts**

- **Protégé must be:**
  - **SDBs that have been certified by SBA or**
  - **8(a) firms or**
  - **Qualifying organizations that employ the Disabled (self- certified)**
  - **Woman Owned Small Business**
  - **HUBZone Small Businesses**
  - **Service-Disabled Veteran-Owned Small Busineses**

Program Touchstones

Research and Academic Expertis

Know How and Discipline



Progra m Focus

Funding

AF MP Program Focus

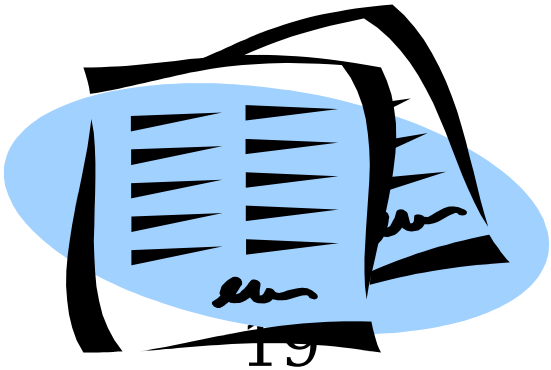
- **AF Seeking Increase in War Fighter Mentors**
  - **Broader Defense Supplier Base**
- **Primary Focus**
  - **Military Aircraft / Engines**
  - **Robotics**
  - **Weapons Systems Manufacturing**
  - **Missiles & Space Systems**
- **Program Emphasis**
  - **Mentors failing to meet Subcontracting Goals**
  - **Top technology areas**

Benefits

- **Achievement of Subcontracting Goals/Requirements**
  - **Helps achieve outstanding DCMA ratings on SB SubKg Plan reviews**
- **Funding to develop preferred, qualified suppliers**
- **Flexible AF M-P contract**
  - **Mentor writes the contract—proposal becomes the contract SOW**
  - **Plan can change as M-P relationship evolves**
- **Expanded Small Business Supplier (SB) Base**
- **Suppliers qualified to Mentor's Standards**
- **Long-term, Stable Partnerships**
- **Streamlined Subcontracting Procedures**
  - **Sole source to protégés**
- **Federally funded training programs developed by HBCU/MI**
- **Screen student interns for potential future employment**
  - **Student interns for both mentor and protégé**

Air Force Program Mechanics
Broad Agency Announcement (BAA)

- **BAA document and attachments posted on FEDBIZOPPS - http://www.fedbizopps.gov/**
  - **4 proposal submission rounds for FY06**
  - **Detailed proposal instructions and templates**
  - **Pass/Fail technical criteria**
- **BAA identifies top AF technology areas**



AF BAA Top Tech Areas

Dominant Air Power: Design For Tomorrow...Deliver Today

TOP TECHNICAL CATEGORIES
Robotics
Power Sources
Fuel Cells
Anti-Corrosives
Composites
Radio Frequency Identification (RFIDJ)
Aerospace Product & Part Manufacturing
Military Aircraft / Missile – New mfg, overhaul & repair
Military Engine, Aircraft, Missile, Support Equipment - New mfg, overhaul & repair
Aerospace Support Equipment
Armaments/Munitions

AF Broad Agency Announcement (BAA)

- **Draft proposals reviewed by Program Manager**
- **Final proposals evaluated on subjective pass/fail basis**
- **Top tech categories may receive a more favorable rating**
- **Source Selection Authority: AF SADBU Director**
- **Cost Plus Fixed Firm Awards currently average $450k/yr for up to three years**
  - **One basic year with up to 2, one year options**
  - **$1 Million max per year**
  - **3 year procurement money with option year rollover**
  - **AF is only DoD program to allow a fee**

Mentor-Protege Points of Contact & Key Websites

- **AF Program Manager – Eileen King (210) 536-6305**
  - **eileen.king@brooks.af.mil**
- **On-Site Contractor Support – IVIS PSC**
  - **Fred Chandler – (210) 536-6376 – frederick.chandler@brooks.af.mil**
- **Department of Defense**
  - **www.acq.osd.mil/sadbu/mentor_protégé**
- **Air Force Mentor-Protégé Website:**
  - **http://selltoairforce.org/Programs/MentorProtege/mp_program.asp**
- **FedBizOpps Website:**
  - **http://www.fedbizopps.gov**

Small Business Office Contacts

- **ASC Small Business Office**:
  - Jill Beaver, Area B, Bldg 39, (937) 904-5999
  - Jill.beaver@wpafb.af.mil
    - Director, Small Business
  - Teresa Rendon, Area B, Bldg 39, (937) 255-5322, Teresa.Rendon@wpafb.af.mil
    - Weapon Systems, Advisory and Assistance Services
  - Sandy Haught, Area C, Bldg 1, (937) 257-2324 x4506, Sandy.Haught@wpafb.af.mil
    - Base Support and Operations
  - Charlotte Chumack, Area C, Bldg 1, (937) 257-2324 x4505, Charlotte.Chumack@wpafb.af.mil
    - Information Technology, AFSAC, NASIC

QUESTIONS